IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION No.319 of 2000

and

COMPANY PETITION No.317 of 2000

For Approval and Signature:

Hon'ble MR.JUSTICE D.A.MEHTA Sd/-

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

PRABHAT VENEERS PVT. LTD.
P.S.PLYWOOD PRODUCTS

Versus

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Appearance:
MRS SWATI SOPARKAR for Petitioner No.1
MS PJ DAVAWALA, Addl. Central Govt. Standing Counsel

CORAM : MR.JUSTICE D.A.MEHTA

Date of decision: 07/05/2002

COMMON ORAL JUDGEMENT

1. These are the petitions filed by two different

petitioner - Companies for sanction of a Scheme of Amalgamation of Prabhat Veneers Private Limited (the Transferor Company) with P.S. Plywood Products Private Limited (the Transferee Company) under Section 391 read with Section 394 of the Companies Act,1956.

2. The Transferor Company is a Private Limited Company. It is engaged in the manufacturing and trading of veneers. The Transferee Company is also a Private Limited Company engaged in the manufacturing and marketing of plywood products. Both these companies belong to the same group of management. The amalgamation is proposed for the synergic advantages. The petitions give details of the advantages that would flow by virtue of the amalgamation of these companies.

3. The meetings of the shareholders of both the companies were dispensed with in view of the consent letters from all the shareholders of both the companies approving the scheme having been put on record. There are no secured or unsecured creditors of the Transferor Company.

4. After the petitions were admitted, the same were duly advertised in the newspapers ("Indian Express", Saurashtra Edition and "Phoolchhab", Rajkot edition) dated 08-01-2001 and the publication in the Government Gazette was dispensed with as directed in the order dated 26-12-2000. No one has come forward with any objections to the said petitions even after the publication.

5. Notice of the petition of the Transferor Company was served upon the Official Liquidator attached to Gujarat High Court. The report dated 15-04-2002 filed by the Official Liquidator confirms that the affairs of the Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest.

6. Notice of the petitions has been served upon the Central Government and Smt.P.J.Davawala, Additional Standing Counsel appears for the Central Government. Smt.Davawala has informed the Court and put on record the letter from the Registrar of Companies of Gujarat dated 22-02-2002 indicating that the Central Government has decided not to make any representations on behalf of the Central Government and to leave the petitions to be decided on merits. There are no other objections raised by anybody. In view of this, there is no reason to withhold the sanction to the Scheme of Amalgamation.

7. I have heard Smt.Swati Saurabh Soparkar, learned Advocate for the petitioner - Companies. Having gone

through the petitions, I am satisfied that amalgamation would be in the interest of the companies and their members and creditors. Prayers in terms of paragraph 16(a) (in Company Petition No.319 of 2000) and 15[a] (in Company Petition No.317 of 2000) are hereby granted i.e. to the effect that the Scheme of Amalgamation (Annexure-"C") is sanctioned so as to be binding on all equity shareholders of the petitioner - companies and on the petitioner - companies.

8. The petitions are disposed of accordingly. So far as the costs to be paid to the Central Government Standing Counsel is concerned, I quantify the same at Rs.3,500/= per petition. The same may be paid to the learned Advocate Smt.P.J.Davawala.

Sd/-

(D.A.Mehta,J)

'Bhavesh'